

General Terms and Conditions of Purchase No.: 01/2010

I. General

1. The ordering of goods or services is based exclusively on these General Terms and Conditions of Purchase.
2. The General Terms and Conditions of Purchase shall also apply to future orders by Becker Marine Systems GmbH & Co KG (hereafter BMS) from the respective contractual partner (hereafter Supplier), even if BMS does not expressly refer to them in further contracts.
3. BMS is entitled to change the General Terms and Conditions of Purchase effective for future contracts with the Supplier, provided the Supplier is informed of the changed General Terms and Conditions of Purchase prior to conclusion of the contract.
4. The Supplier's Terms and Conditions of Business deviating from these General Terms and Conditions of Purchase shall not become part of the contract, even if BMS has not expressly objected to the Supplier's Terms and Conditions of Business, unless BMS expressly agrees to their application.
5. Only written orders are binding on BMS. Verbal agreements require written confirmation by BMS. The Supplier must confirm written orders placed by BMS in writing within 14 days.
6. In the absence of any other express agreement, the preparation of offers for BMS is done free of charge.
7. Offers made by the Supplier shall be valid for a period of at least 3 months.

II. Prices, Terms of Payment, Overdue Payment

1. The agreed prices shall be specified in euros and shall be strictly regarded as the fixed price delivered to the address specified by BMS, including packaging and any additional costs.
2. In case of agreed unfree delivery BMS shall only bear the lowest possible freight costs. If the price excluding packaging was agreed, packaging may only be charged at cost. No charges may be made for any other packaging or filling material such as wood wool, paper, etc.
3. Re-usable packaging such as boxes, containers, etc. are returned by BMS to the Supplier free of charge and shall be credited at full invoice value.
4. Price increases require the express written consent of BMS.
5. Provided nothing else has been agreed, invoices shall be settled by BMS on the 25th day of the month following delivery with a discount of 3% or net within 90 days.
6. Payment and cash discount periods begin upon receipt of the invoice, however not before receipt of the goods or services nor before their acceptance and, so far as documentation or similar documents belong to the total package, not before delivery to BMS.
7. Payment is considered on time if BMS has instructed the bank to make remittance on the due date.
8. In the establishment late payment the receipt of an invoice or other statement of payment cannot be substituted for the receipt of the purchased goods.
9. The interest rate on overdue payment amounts to 5 percent points above the basic interest rate.
10. All invoices must at a minimum include the BMS project number, the BMS ID number, item description, order number, order date as well as information about quantities and weights.
11. BMS is entitled to the statutory rights of offset and retention. The Supplier is only entitled to offset or retention if his claims are undisputed or have been determined to be legally valid.
12. Claims made against BMS may only be assigned upon written consent.

13. Payments do not imply that BMS acknowledges that the delivery or service is as agreed upon.

III. Delivery, Passing of Risk

1. Unless otherwise agreed, deliveries from the Supplier are DDP in accordance with Incoterms 2002 to the delivery address specified on the order.
2. Shipping documents must designate the BMS project number, the BMS ID number, item description, the order number, the order date, the quantities and weights of the goods as well as the type of packaging.
3. Agreed delivery dates and periods are binding. The supplier must be immediately notify BMS of any impending delivery delays.
4. Should deliveries take place earlier than agreed, BMS is entitled to return or store the goods at the Supplier's expense. Partial deliveries require the express consent of BMS. Additional or short deliveries are permitted only in accordance with current trade practices.
5. In the event of delay by the Supplier BMS is entitled to demand a penalty at a rate of 0.5% of the order value of the delayed delivery/service for each completed week, but not more than 5% of the order value of the delayed delivery/service. Any other rights or claims due to delay remain unaffected. The penalty shall be charged for the overall damage caused by delay. BMS reserves the right to impose the penalty until final payment is made.
6. In case of an overall obligation to deliver (framework contract) each individual release order of goods or services is binding for the Supplier with respect to quantity and delivery date, unless the Supplier objects to the individual release order in writing within 5 working days. Production or ordering of reserves prior to individual release is done at the Supplier's risk.
7. The Supplier may transfer execution of the delivery/service or essential parts of it to third parties only with the prior written consent of BMS.
8. Unless otherwise agreed, the scope of delivery or service comprises complete service-related documentation including the necessary documents and certificates from classification societies as well as operating and safety instructions.
9. Free issue materials from BMS remain the property of BMS and shall be stored by the Supplier free of charge and be identified as the property of BMS. They may only be used for the purpose of the respective contract. The Supplier bears the risk for loss or damage to free issue materials from BMS in his possession.
10. BMS has the right to make reasonable changes with respect to drawings, designs, specifications, materials, packaging, delivery period and place as well as transport. BMS shall inform the Supplier of these changes in writing. Should these changes result in an increase or decrease of the price fixed in the contract or a lengthening or shortening of the required delivery time, BMS and the Supplier shall agree on a reasonable adjustment to the contract.
11. BMS has the right to examine the implementation of the delivery/service in accordance with the contract at the Supplier's place of business within his usual business hours and hours of operation. By request, the required documents for this shall be provided to BMS for inspection. In doing so, the confidentiality interests of the Supplier shall be respected.
12. In the case of deliveries EXW or FCA in accordance with Incoterms 2000, transport shall be insured by BMS. For such deliveries the Supplier shall notify the freight forwarder that BMS is an "SLVS waiver customer". The Supplier shall notify BMS sufficiently in advance about the readiness for delivery.
13. If due to an event of force majeure BMS is prevented from fulfilling its contractual obligations, in particular the

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obligation of accepting deliveries or services rendered, BMS is exempt from these obligations for the duration of the event of force majeure or its consequences. Delivery periods and acceptance dates shall be postponed accordingly by this period.

14. Clause III. 13 shall apply accordingly for unavoidable delays or changes to BMS's production plans. In the event of such a delay the Supplier, upon instruction from BMS, shall store the goods and deliver them once the cause for the delay is eliminated.

IV. Retention of Title

1. Retention of title applies only inasmuch as they relate to BMS's payment obligations for the delivered goods.
2. Expanded or extended retention of title is excluded.

V. Proofs of Origin, Proofs of Value Added Tax, Export Restrictions

1. With every delivery of goods the Supplier shall make available all proofs of origin (e.g. certificates of origin, supplier's declarations, movement certificates, in accordance with EC and/or EFTA provisions). He shall ensure that these proofs of origin are duly signed by authorised representatives of the Supplier.
2. The Supplier shall compensate BMS for any damages and losses incurred by BMS, if and in so far as the competent authorities, due to any deficient certification or impossibility to verify, fail to acknowledge the declared origin. This applies only to negligence by the Supplier or lack of a promised characteristic.
3. In the event that goods are partially or fully subject to the export restrictions of Germany and/or the European Union or other customs and payment regulations (e.g. those of the United States), the Supplier shall promptly inform BMS of this.
4. The Supplier assures that no rights of any third parties within Germany and the country or destination for the delivery specified by BMS are violated in connection with his delivery.
5. The Supplier is obliged to indemnify BMS from all claims asserted by third parties against BMS due to the violation of legal property rights specified in clause V. 4 and shall compensate BMS for all necessary expenses in connection with the claim made by the third party. This right exists irrespective of any fault on the part of the Supplier.

VI. Warranty, Indemnity, Limitation

1. The Supplier shall render the stipulated services free from material and legal defects and in accordance with good engineering practice and the contractually agreed characteristics, specifications, standards, in particular those of the classification societies, the work instructions provided by BMS as well as safety, work safety, accident prevention and any other application regulations.
2. The Supplier guarantees that at the time of delivery the delivery item (including packaging) complies with the applicable laws and regulations of the destination of the delivery specified on the order as well as the relevant regulations and directives of authorities and mutual insurance associations.
3. The Supplier guarantees that the delivery item shall cause no harmful environmental impact or other hazard, distinct disadvantages or disturbance to the environment and/or the staff of BMS. If the delivery items contains hazardous materials that are the object of applicable regulations concerning hazardous substances, the Supplier shall inform BMS of this prior to delivery and shall properly label the delivery accordingly. In addition, the Supplier guarantees that the EC safety data sheets he provides are complete and accurate.

4. In the case of defects BMS is entitled to the statutory rights and claims.
5. BMS may return goods not delivered according to the contract at the Supplier's risk and expense.
6. After an adequate period of time has passed for the rectification of defects BMS is entitled to rectify the defects itself or to have them rectified by a third party at the Supplier's expense.
7. Notice of defects by BMS are considered timely in accordance with Section 377 of the German Commercial Code (HGB) if received by the Supplier within 10 working days after discovery of the defect.
8. If the Supplier processes goods provided by BMS, he shall inspect these goods for defects immediately after receipt. The Supplier shall report any defects to BMS immediately after discovering them. In addition, the Supplier shall quantify to BMS any additional expenses caused by the defects when processing the goods. Without BMS's consent the Supplier may not process defective goods and any claim for compensation by the Supplier for additional costs incurred is excluded.

VII. Nondisclosure

1. BMS is authorised to use, work on and utilise all documents, plans and drawings, including data produced by the Supplier in connection with the delivery and submitted to BMS.
2. The Supplier shall keep confidential all commercial and technical details in connection with the contract and its execution, in particular documents of all types that BMS provides to the Supplier for offer submission and contract execution. He is also obliged to maintain confidentiality following completion of the contract and is authorised to make copies of such documents insofar as this is required to fulfil his contractual obligations to BMS. The obligation of confidentiality does not apply in cases in which disclosure of such information by the Supplier is required by law.
3. The Supplier shall also keep confidential the business relationship with BMS towards third parties, unless BMS has given its written consent to disclose such information.
4. Production materials such as samples, drawings, models, tools, technical instruction and suchlike made available to the Supplier by BMS or are the object of the service being rendered by the Supplier may not be made available to third parties without the written consent of BMS, copied, used for any other than the agreed purpose and only for deliveries made to BMS. Nor may the goods produced using them be passed on to third parties or used by the Supplier for his own purposes. They shall be kept confidential and must be in good order and condition when handed over to BMS immediately following completion of the contract with no copies, individual items and suchlike being retained.
5. The Supplier is obliged to extend this obligation to his employees and sub-contractors in accordance with the provisions of clauses VII. 2 to VII. 4.

VIII. Termination

1. BMS is entitled to terminate this contract upon giving notice of 14 days. In the case of such termination BMS shall reimburse the Supplier expenses that he has incurred up to the time of termination or will unavoidably incur. Claims from the Supplier going beyond this or from or in connection with the termination are excluded.
2. BMS is entitled to terminate the contract for good cause at any time without prior notice.
3. Good cause shall exist, in particular, if the Supplier files an application for initiating insolvency proceedings or if the Supplier ceases his payments non-temporarily or if insolvency proceedings have been opened on the assets of the Supplier. Good cause shall also exist, if there are grounds for believing that errors or defects of a delivery or

service also have an impact on other deliveries or services or will occur in the same manner in future.

4. In the event of termination for good cause the Supplier shall take back the already delivered goods at his own expense.

IX. Applicable Law, Jurisdiction

1. The law of the Federal Republic of Germany under exclusion of all international and bilateral agreements, in particular the UN sales law (CISG), applies exclusively.
2. If the Supplier is a merchant, a legal entity under public law or a public law special fund, the place of jurisdiction for all disputes arising from and in connection with the contractual relationship is Hamburg, Germany. BMS is also entitled, at our option, to file a lawsuit at the place of performance of the delivery obligation.

X. Severability Clause

1. Should individual provisions of these General Terms and Conditions of Purchase be invalid or unenforceable or become invalid or unenforceable following conclusion of the contract, this shall have no effect on the validity of the remaining provisions of the General Terms and Conditions of Purchase. The invalid or unenforceable provision shall be replaced by a valid and enforceable provision whose commercial aim comes as close as legally permissible to the invalid provision pursued by BMS through the invalid or unenforceable provision.
2. The above provision shall apply correspondingly to the extent that any omissions or loopholes in these General Terms and Conditions of Purchase become apparent.

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Please note that the English translation is for convenience only. The legally binding version is the German one.